



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

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August 31, 2006

The Honorable Rob McKenna
Attorney General of the State of Washington
PO Box 40100
Olympia, WA 98504-0100

Dear General McKenna:

On February 10, 2006, your office received a citizen action letter from Richard Pope alleging that the Ron Sims for King County Executive Surplus Funds Account violated chapter 42.17 RCW by: (1) failing to file its reports electronically; (2) failing to timely register its Surplus Funds Account; and (3) failing to timely file complete reports with the Public Disclosure Commission. Your office forwarded the letter to the Public Disclosure Commission for investigation.

On August 24, 2006, PDC staff reported the results of its investigation to Jane Noland, Chair of the Public Disclosure Commission. A copy of the staff memorandum is enclosed. The investigation revealed insufficient evidence to prove that the activities of the Ron Sims for King County Executive Surplus Funds Account cited in the complaint constituted material violations of chapter 42.17 RCW. The Chair of the Commission reviewed the staff memorandum.

The Commission Chair accepted PDC staff's recommendation that no further action is warranted on the complaint. This letter conveys the Commission Chair's concurrence that no further action will be taken by the Commission on this complaint, and the Chair's recommendation that no action be taken by the Attorney General.

If we can be of assistance, please contact me at vrippie@pdcc.wa.gov or 586-4838.

Sincerely,

Vicki Rippie
Executive Director

Enclosures: Staff Memorandum

c: Senior Assistant Attorney General Linda A. Dalton
Senior Counsel Nancy Krier
Richard L. Pope, Jr.
Ron Sims

I.
Filing Surplus Funds Account Activity Electronically

The complaint alleged that the Ron Sims for King County Executive Surplus Funds Account failed to file reports for his Surplus Funds Account electronically in accordance with RCW 42.17.3691.

The requirement in RCW 42.17.3691 to file reports electronically applies only to contribution and expenditure reports of campaigns. Surplus funds activity may be disclosed manually or electronically, at the filer's option. Therefore, the Ron Sims for King County Executive Surplus Funds Account was not required to file its reports electronically.

II.
Alleged Failure to Timely Register Surplus Funds Account

You alleged that the Ron Sims for King County Executive Surplus Funds Account failed to timely register its Surplus Funds Account within two weeks of depositing \$245,561 into the account, and of making disbursements of \$25,000 to the Washington State Democratic Central Committee and \$5,000 to the King County Democrats, all on January 29, 2002.

We found that:

- The Ron Sims for King County Executive Surplus Funds Account filed a C-1 registration on February 20, 2002.
- Although Mr. Sims registered his Surplus Funds Account 22 days after conducting reportable activity in and out of the account, there is no deadline set in statute for the registration of a Surplus Funds Account. Thus, Mr. Sims' February 20, 2002 registration was not in violation of Chapter 42.17 RCW.

III.
Alleged Failure to Report Timely and Complete Surplus Funds Account Reports

The complaint alleged that the Ron Sims for King County Executive Surplus Funds Account failed to timely report transfers to and expenditures from the account for activity occurring between 2002 and 2005. In addition, the complaint alleged that the Surplus Funds Account reports failed to include the complete date of each expense, and failed to include a breakdown of reimbursements made to Mr. Sims, showing the vendors where he incurred the expenses.

We found that:

- The Ron Sims for King County Executive Surplus Funds Account filed reports showing \$248,761 in transfer activity and \$222,624 in expenditure activity between 1 and 215 days late. Most of the expenditure activity was disclosed less than one month late, and all of the transfer activity was disclosed less than two months late. While transfers to political parties were reported 1 – 2 months late, the transfers were timely reported by the recipient party committees, and thus, were on the public record in a timely manner. In addition, transfers to the Ron Sims County Executive Campaign and Ron Sims Governor Campaign were timely reported by the campaigns. The late-reported activity was as follows:

Lateness of Report	Period of Activity	Transfer / Expenditure Activity		Purpose of Expenditures
Less than 1 month late	16 Reports (January 2002 – December 2005)	\$3,200 Transfers	\$191,606 Expenditures	<ul style="list-style-type: none"> • \$126,191 Transfers to Gubernatorial Campaign; • \$56,370 Transfers to County Executive Campaign; • \$8,890 Non-reimbursed Public-Office Related Expenses; • \$4,770 Charitable Donations; • \$369 Other
1 – 2 months late	January 2002	\$245,561 Transfers	\$30,000 Expenditures	Transfers to Political Party Committees
7 months late	September 2002	—	\$1,018 Expenditures	Non-reimbursed Public Office Related Expenses
TOTAL		\$248,761 Transfers	\$222,624 Expenditures	

- Mr. Sims failed to disclose the complete dates of nine expenditures from his Surplus Funds Account, instead listing only the month and year in his reports. The expenditures, made between October 21, 2003 and February 1, 2005, were first disclosed with their complete date on May 10, 2006.
- Ron Sims reported a \$681 reimbursement to him from surplus funds for non-reimbursed public office-related travel expenses, but did not provide a breakdown of the expenses that were reimbursed. The detailed breakdown was required to be included in a C-4 due on March 10, 2005, but was not provided until April 11, 2006.
- Mr. Sims' treasurer stated to PDC staff that the lateness of reports filed for the Surplus Funds Account was due primarily to inefficient administrative practices.

While the reports for the Ron Sims for King County Executive Surplus Funds Account were untimely and incomplete in some respects, Mr. Sims and officers charged with reporting for the account have provided all information that was missing, have acknowledged the lateness of reports and expressed their regrets. Included in the late reported expenditures were transfers to party committees and to Mr. Sims' King County Executive and Governor Campaigns that were timely reported by the parties when received, and thus, were on the public record in a timely manner. Thus, enforcement is not warranted. Mr. Sims will be reminded to file the reports for his surplus funds account on a monthly basis if there has been activity of over \$200 since the last report was filed.

Staff Recommendation

After a careful review of the alleged violation and relevant facts, we have concluded our investigation and, PDC staff recommends that a letter be sent to the Attorney General recommending that no further action be taken on the alleged violations listed in the Citizen Action Letter.